

Public Benefit Criteria

West Eugene Enterprise Zone (est. 2005)

1.	<u>Advancement Opportunities</u>	7 points
Company has a comprehensive written policy for wage or position advancement.		
2.	<u>Employee Benefits</u>	7 points maximum
<p>Company provides non-mandated employee benefit(s).</p> <p>Childcare = 1 point Life insurance = 1 point Traditional* medical benefits for employee = 2 points Traditional** medical benefits for family = 2 point Employer Paid Time Off *** = 1 point Profit Sharing = 1 point Retirement plan = 1 point Transportation = 1 point</p> <p>* Employer pays not less than 70% of the premium ** Employer pays not less than 60% of the premium *** Includes holiday, vacation, sick leave, undesignated leave (minimum of 10 days)</p>		
3.	<u>Small Business</u>	7 points maximum
<p>Number of employees.</p> <p>Less than 25 employees = 7 points Between 25 and 49 employees = 5 points Between 50 and 100 employees = 3 points</p>		
4.	<u>Training</u>	7 points
<p>Annual training expenditure greater than or equal to the U.S. average (as a percentage of total payroll).¹</p> <p style="text-align: center;">Current U.S. average = 2.34%</p>		

¹ Benchmark source: American Society for Training and Development

5.	<u>Wages</u>	7 points
<p>For companies with less than 25 employees, median wage for ALL employees is equal to or greater than 85% of the median wage for the traded sector industries within Lane County.*</p> <p>For companies with 25 or more employees, median wage for ALL employees is equal to or greater than the median wage for the traded sector industries within Lane County.*</p> <p>2005 Median wage = \$ 14.95 per hour</p> <p>* Traded sector industries include manufacturing, wholesale trade, and transportation / warehousing as defined by the Oregon Employment Department.</p>		
6.	<u>Redevelopment</u>	5 points
<p>New investment is an expansion of the current site or a redevelopment of a brownfield or vacant building(s).</p>		
7.	<u>Referral Agency Hiring</u>	3 points maximum
<p>Percentage of new jobs hired through local, training/referral agencies.</p> <p>Greater than 10% = 1 point Greater than 30% = 2 points Greater than 50% = 3 points</p> <p>Examples: Adult/Family Services, Catholic Community Services, Goodwill Industries, Lane Workforce Partnership, Lane Community College, local trade unions, Oregon Employment Department, Private Rehabilitation Agencies, St. Vincent de Paul, Salvation Army, Vocational Rehabilitation, other</p>		
8.	<u>Construction</u>	1 point
<p>Utilization of State approved apprenticeship programs for construction.</p>		
9.	<u>Investment Size</u>	1 point
<p>Size of new investment.</p> <p>Equal to or greater than \$5,000,000</p>		

The criteria above will determine if a company is required to make a Public Benefit Contribution. Companies scoring below 25 points will be required to make a Public Benefit Contribution. The maximum annual Public Benefit Contribution shall be 25% of the annual enterprise zone tax exemption granted. The formula for calculating the Public Benefit Contribution is described below.

Calculating the Public Benefit Contribution

Companies that score below 25 points will make a public benefit contribution based on the following formula:

$$\frac{25 - \text{Criteria Points Earned}}{100} \times \text{Tax Exemption} = \text{Public Benefit Contribution}$$

Example

If a company scores 20 points and has a tax exemption of \$100,000, the company will make a \$5,000 Public Benefit Contribution (5% of the tax exemption).

$$\frac{25 - 20}{100} \times \text{Tax Exemption} = \text{Public Benefit Contribution}$$

$$\frac{25 - 20}{100} \times \$ 100,000 = \$ 5,000$$

Job Creation Cap – Additional Public Benefit Criteria

The three-year tax exemption benefit shall be limited to a maximum of \$96,000 per job created or \$32,000 per job created per year, whichever is less. Tax exemption benefits in excess of that amount shall be paid as a public benefit contribution. Public benefit contribution payments made with the criteria points formula (above) will be credited towards the payment required by the job creation cap. The maximum public benefit payment shall be one-third of the tax exemption benefit.

Distribution of Public Benefit

Public benefit contribution collected annually is to be distributed as follows:

- 20% to Lane County;
- 20% to City of Eugene; and
- 60% to support local education (District 4J, Bethel School District, Lane Community College, Lane Education Service District)

Administrative costs of the distribution process may be taken from the funds available.

Reporting

EZ criteria data will be reported to the Eugene City Council on an annual basis and will include information on jobs, investments, exemptions, and other public benefits.

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